The Régie de l'Énergie

Québec's **Energy Tribunal**

Québec

Contents ::

04 :: Message from the Chair
06 :: Highlights
08 :: Client Relations
10 :: Participation in the Regulatory Process of the Régie
11 :: Natural Gas
12 :: Electricity
14 :: Petroleum Products
16 :: Administrative Activities
17 :: Financial Summary
18 :: Preview of 2013-2014 Cases

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The Régie de
l'Énergie

Message from the Chair :: **Diane Jean**

"The year 2013-2014 holds many challenges, including that of maintaining the Régie's reputation for excellence and its credibility with those who are involved in our work."

My first message as Chair of the Régie de l'énergie, following my appointment by the government on February 20, 2013, is one of thanks and recognition for the fine work of my predecessor, Jean-Paul Théorêt, who died last March.

Mr. Théorêt led the Régie de l'énergie for eight years, helping to establish this organization as the credible, effective administrative tribunal it is today. He presided several commissioner panels, particularly in the field of transmission and distribution of electricity. I would like to pay homage to him for having dedicated a great part of his life to serving the public.

Since coming into this office, I have observed the quality and dynamism of the Régie personnel, no matter what role they play in this tribunal whose mission is to ensure the conciliation of the public interest, consumer protection and the fair treatment of the companies under its jurisdiction. This essential mission must be reflected in each of the decisions rendered by the Régie.

The year 2013-2014 holds many challenges, including that of maintaining the Régie's reputation for excellence and its credibility with those who are involved in our work. Also, we are called to develop new areas of expertise, notably regarding the new responsibilities that will be entrusted to us in the implementation of the Québec-Canada accord for the shared management of petroleum and gas resources in the Gulf of St. Lawrence.

Finally, the Régie will have to complete the review of its regulation on procedure and make progress on its next strategic plan.

Mission ::

The Régie de l'énergie is an economic regulation agency. Its mission is to foster the conciliation of the public interest, consumer protection and the fair treatment of the electricity carrier and distributors. The Régie strives to ensure that energy needs are satisfied while promoting sustainable development as well as individual and collective equity. To this end, the Régie fixes and modifies the rates and conditions for the transmission of electric power by the electricity carrier, the distribution of electric power by the electricity distributors, and the supply, transmission, delivery and storage of natural gas by the natural gas distributors. In fixing and modifying rates, the Régie favours the use of incentives to improve the performance of the electricity carrier, the electricity distributor and the natural gas distributors, and to promote the satisfaction of consumer needs. The Régie examines consumer complaints about decisions rendered by the electricity carrier, the electricity distributor or a natural gas distributor concerning the application of the rates or conditions of service. The Régie also monitors the prices of petroleum products and steam.

Organization Chart ::

Chair :: Diane Jean

Commissioners

Diane Jean
Gilles Boulianne
Lise Duquette
Françoise Gagnon
Suzanne Kirouac
Richard Lassonde
Pierre Méthé
Louise Rozon
Marc Turgeon
Jean-François Viau

Vice-Chair

Gilles Boulianne

Communications

Véronique Dubois
(interim)

Legal Services

Louis Legault

The members of Legal Services act as legal advisors in the interpretation of laws and regulations. They also respond to commissioners' requests by advising them on the preparation of decisions or opinions for the government. These legal advisors act as attorneys, representing the Régie and questioning participants during hearings. They also work on the preparation of regulations and the production of various legal texts required in the administration of the Régie.

Secretariat

Véronique Dubois

The Secretariat is the entry point for contacts with the Régie. It is also the spokesperson and the sole point of contact for participants. It has three sections. The Office of the Clerk maintains the files, receives and consigns the public documents related to the work of the Régie. The Information Department answers consumer calls regarding complaints they may have with their energy distributor or questions about the price of petroleum products. It is also responsible for the reception of all visitors. The third section, the Documentation Centre, responds to internal and external requests for research and consultation and monitors regulatory news.

Planning and Regulation

Gilbert Neveu

Planning and Regulation includes Electricity Distribution, whose Director is Claude Tissier; Electricity Transmission, whose Director is Daniel Soulier; and Natural Gas and Petroleum, whose Director is Laurent Pilotto. These directorates propose recommendations following analysis of requests made by regulated companies regarding rates, investments, supply plans and consumer complaints. Also, the Electricity Transmission Directorate performs analyses and makes recommendations regarding the reliability of electricity transmission networks. The Natural Gas and Petroleum Products Directorate notably monitors the price of petroleum products.

Administrative Services

Alain R. Pagé

The Administrative Services Directorate is responsible for human resources, finance, and information services, as well as physical resources. These functions provide for the operational needs for the attainment of the objectives of the Régie's Strategic Plan. This directorate ensures the development, updating and application of policies, directives and action plans. Its interventions are based on the legislative and regulatory dispositions related to the management, sustainable development, information security and contracts of public organizations.

Activities ::

2012-2013 Highlights

A Growing Number of Cases ::

During 2012-2013, the Régie de l'énergie dealt with nearly 50% more requests and 16% more complaints than it did in the previous year.

Census ::

Between November 2011 and August 2012 the Régie conducted a census of service stations in operation in Québec. The results were published on November 30, 2012 under the title "Portrait du marché québécois de la vente au détail d'essence et de carburant diesel - Recensement des essenceries en opération au Québec au 31 décembre 2010". To perform this census and measure the evolution of the retail market in this sector since 1997, the Régie gathered data from all of the regions of Québec on the number of service stations in operation, their sales volume and the different business models. More than 50 companies operating in this market as refiners or wholesalers contributed to this effort.

Participation ::

This year the Régie allowed a greater number of groups to intervene and to participate in its work: in all, 47 companies, associations and groups.

Innovative Solutions ::

The Régie proposed innovative solutions to deal with certain files, lightening the regulatory process and the cost of regulation.

Hundreds of Emails ::

In its study of certain requests, the Régie had to process a substantial quantity of documentation. For example, in the file to approve next-generation meters that can be read remotely, it had to study more than 1,000 large and complex documents, consider the observations of nearly a hundred observers who did not attend the hearings, and answer hundreds of emails from citizens.

Electronic Document Submission ::

The Régie did preparatory work to implement version 11 of its electronic document submission system and the migration of data. It also began work on the installation of a submission system to meet the needs of the monitoring regime for conformance with the reliability standards for electricity transmission in Québec.

Activities ::

Summary

DECISIONS RENDERED BY THE RÉGIE IN 2012-2013

30
ELECTRICITY DISTRIBUTION

29
ELECTRICITY TRANSMISSION

02
TRANSMISSION AND DISTRIBUTION OF ELECTRICITY (AT THE SAME TIME)

54
NATURAL GAS

01
PETROLEUM PRODUCTS

67
CONSUMER COMPLAINTS

184
TOTAL DECISIONS RENDERED

Regulatory Activities

Through its regulatory activities, including rate decisions, authorization of investments, or the monitoring of the activities of the companies it regulates, the Régie sees to it that the rates paid are fair and reasonable. It also ensures that the investments needed to maintain and extend the electricity transmission and electricity and natural gas distribution networks can be made. The Régie ensures that the regulated companies respect the standards and conditions of services that it sets. Finally, the Régie examines and decides on consumer complaints against energy distributors.

During 2012-2013, the Régie received 46 requests and 226 complaints. The study of these requests and complaints required 103 days of hearings, 14 working sessions, 4 preparatory meetings and 68 conciliation sessions.

Activities ::

Client Relations

Informing the Public

The Régie's telephone information service answered nearly 2,700 enquiries from consumers during the past year regarding all sectors of energy, a slight decrease from the previous year.

Also, the Régie answered a large number of emails from the public dealing with general energy matters and specific cases, such as the Hydro-Québec proposal to install remotely read meters. In all, it answered nearly 750 emails from researchers, consumers, and the general public on various matters relating to its jurisdiction.

The Documentation Centre also had to answer nearly 350 requests for documents or for research on various energy-related topics.

750
EMAILS RECEIVED

2,700
REQUESTS FOR INFORMATION

350
REQUESTS FOR RESEARCH

226
COMPLAINTS

68
CONCILIATION SESSIONS

Consumer Complaints

In the exercise of its jurisdiction over electricity and natural gas consumer complaints, this year the Régie received 226 complaints, an increase over last year, mainly related to a series of complaints regarding connection fees charged by a natural gas distributor.

To deal with these complaints, it held 68 conciliation sessions. During this period, 170 cases were concluded. Of these, 48 were resolved by the parties and 43 were resolved by conciliation, for a slight decrease over last year. In 2012-2013, the Régie successfully pursued its free conciliation service, seeking winning solutions in the conflicts between distributors and their customers. The rate of resolution of complaints without formal hearings was therefore 63%, the same as for 2011-2012.

As for complaints that were not resolved by conciliation or other means, 36 were resolved by decision on the basis of the file, and 28 after oral hearings. Also, 15 cases were withdrawn by the complainants.

Thus, more than 62.3% of the cases of consumer complaints were resolved before a decision was rendered by the Régie, and the Régie rendered decisions in 37.6% of the cases.

62.3 %
OF THE CASES RESOLVED BY THE PARTIES

37.6 %
OF THE CASES DECIDED BY A COMMISSIONER

Participation in the Regulatory Process of the Régie

Payment of intervenor costs

The Régie may order the electricity carrier or any distributor of electricity or natural gas to pay, in whole or in part, expenses related to proceedings conducted under the Régie's authority.

When the public interest warrants it, the Régie may pay such costs for groups formed for the purpose of participating in its public hearings. The amount of the reimbursement is determined in accordance with the Act, the Rules of Procedure and the Intervenor Costs Payment Guide.

In 2012-2013, the Régie authorized the reimbursement of intervenor costs totalling $4,095,823.

Intervenor costs granted from April 1 2012 to March 31 2013

Electricity	$3,664,426
Natural gas	$431,394
Petroleum products	$0
Total	**$4,095,820**

Participants in the Regulatory Process

Association coopérative d'économie familiale de l'Outaouais – **Association coopérative d'économie familiale de Québec** – Association des consommateurs industriels de gaz **Association des redistributeurs d'electricity du Québec** – Association pétrolière et gazière du Québec – **Association québécoise de la production d'énergie renouvelable** – Association québécoise de lutte contre la pollution atmosphérique – **Association québécoise des consommateurs industriels d'electricity** – Association québécoise des indépendants du pétrole – **Brookfield Energy Marketing** – Canadian Federation of Independent Businesses – **Canadian Fuels Association** – Canadian GeoExchange Coalition – **Quebec Forest Industry Council** – Corporation des propriétaires immobiliers du Québec Inc. – **Costco Wholesale Canada Ltd – Énergie La Lièvre s.e.c.** – Gazifère Inc. – **Groupe de recherche appliquée en macroécologie** – Hydromega – **Hydro-Québec - Direction Contrôle des mouvements d'énergie** – Hydro-Québec Distribution – **Hydro-Québec TransÉnergie** – Hydro Westmount **Imperial Oil** – Intragaz Inc. – **Newfoundland and Labrador Hydro** – Ontario Power Generation – **Option Consommateurs** – Questerre Energy Corporation – **Regroupement des organismes environnementaux en énergie** – Regroupement national des Conseils régionaux de l'environnement du Québec – **Rio Tinto Alcan** – Gaz Métro – **Solénove** – Stratégies énergétiques – **Suncor Energy Inc.** – Syndicat des employé-e-s de technique professionnelle et de bureau d'Hydro-Québec (SCFP-FTQ) – **Talisman Energy Inc.** – TransCanada Energy Ltd – **TransCanada Pipelines Ltd** – Tshiuetin Énergie – **Ultramar Ltd**. Union des consommateurs – **Union des municipalités du Québec** – Ville de Saint-Jérôme

Activities ::

Natural Gas

The Régie de l'énergie fixes the rates and conditions of service of the distributors Gaz Métro and Gazifère, and authorizes their investments. It also approves their supply plans each year.

Gazifère :: The Régie fixed distribution rates for the year 2013. The average rate increase applicable to the customers of this distributor, including the cost of gas as well as the costs of transmission and load balancing, as of January 1, 2013, is 3.2%. For the same year, the revenue requirement for Gazifère was established at $51.7 million. The Régie also approved investments of $6 million for Gazifère.

Gaz Métro :: The request for a rate increase by Gaz Métro for October 1, 2012, was still under study on March 31, 2013. The Régie nevertheless authorized a rate of return of 8.9% on Gaz Métro shares on March 5, 2013.

The Régie also approved Gaz Métro's supply plan, taking into account, notably, the eventual shift of supply from Western Canada towards the Dawn hub.

The Régie studied the revision of the performance incentive mechanism for this distributor and approved the conditions of service for receiving, to prepare for the future development of natural gas production on Québec territory. The Régie also approved the establishment of a deferred cost account for the costs of the project to serve the North Shore. It dealt with several investment cases related to the connection of industrial customers. The Régie also examined requests related to the injection of biomethane into the network, and the use of a liquefaction, storage and regasification (LSR) plant in connection with the sale of liquefied natural gas. Finally, the Régie authorized total investments of $34.4 million for Gaz Métro.

3.2 %
AVERAGE RATE INCREASE FOR GAZIFÈRE CUSTOMERS AS OF JANUARY 1, 2013

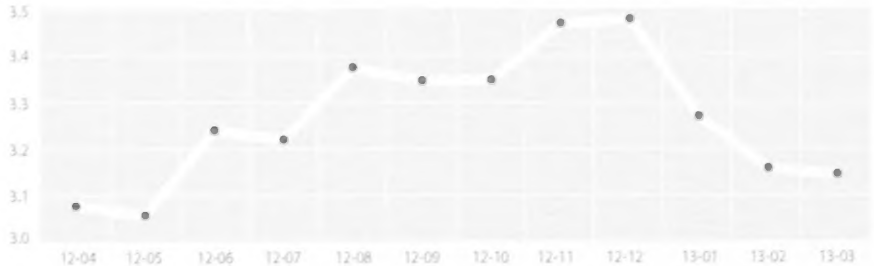
$6 million
GAZIFÈRE INVESTMENTS AUTHORIZED BY THE RÉGIE

$34.4 million
GAZ MÉTRO INVESTMENTS AUTHORIZED BY THE RÉGIE

$51.7 million
TOTAL REVENUE REQUIREMENT AUTHORIZED BY THE RÉGIE FOR GAZIFÈRE

Monthly change in the system gas price ::

Gaz Métro - $/GJ



Activities ::

Electricity

The Régie de l'énergie fixes rates and conditions of service and authorizes the investments of Hydro-Québec in its transmission and distribution activities. It approves the supply plans of Hydro-Québec Distribution every three years. The next supply plan will be submitted in November 2013.

Transmission

The Régie approved investments of nearly $562 million for electricity transmission, including several major projects.

It continued its efforts, begun in 2009, to establish a mandatory regime of reliability standards for electricity transmission in Québec. Following consultations done in 2009-2010 on the monitoring process to set up with organizations that would be subject to the standards, work is underway to develop a second agreement with the North American Electric Reliability Corporation (NERC) and the Northeast Power Coordinating Council (NPCC), after authorization by the government, in order to ensure monitoring of the reliability standards that the Régie will adopt. The Régie continues to develop its internal processes for monitoring the application of the standards, which will be obligatory when the Régie adopts the NERC standards applicable to Québec, including those submitted in the French version by the Reliability Coordinator, as well as the sanctions guide, required in order to structure eventual cases of infractions of the standards.

In this manner, the Régie took another step towards establishing a mandatory reliability regime. Twelve reliability standards submitted by Hydro-Québec in its role as Reliability Coordinator in Québec have been adopted. This process will continue in 2013, notably with the final adoption of 82 standards as well as the identification of a register of the entities subject to the reliability standards, and a guide to the sanctions applicable in cases of infraction.

30
DECISIONS RENDERED BY THE RÉGIE REGARDING HYDRO-QUÉBEC DISTRIBUTION

29
DECISIONS RENDERED BY THE RÉGIE REGARDING HYDRO-QUÉBEC TRANSÉNERGIE

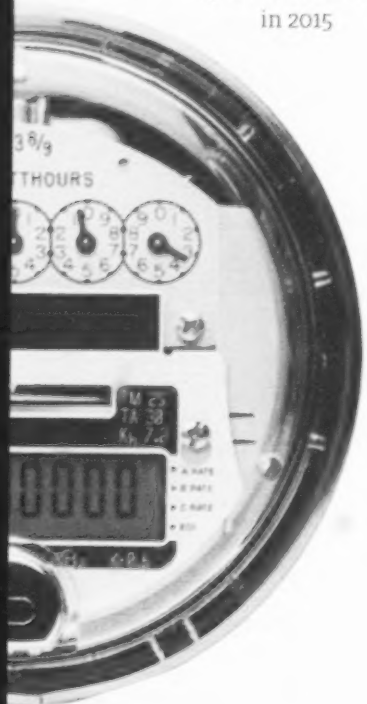
02
DECISIONS RENDERED REGARDING TRANSMISSION AND DISTRIBUTION OF ELECTRICITY (AT THE SAME TIME)

2.4%
AVERAGE RATE INCREASE FOR ELECTRICITY CONSUMERS AS OF APRIL 1, 2013

Distribution

This year, the Régie authorized a revenue requirement for Hydro-Québec Distribution that increased to $10.994 billion for the 2013 rate year: an average rate increase of 2.4 % for consumers. These new rates came into effect on April 1, 2013.

In parallel, the Régie approved the energy efficiency budget of Hydro-Québec Distribution of $181 million for 2013, bringing the total of investments for its programs and activities under the global energy efficiency plan for Hydro-Québec Distribution to $1.73 billion since 2003. Energy savings to date have reached 7.1 TWh, and Hydro-Québec Distribution expects that the target of 8 TWh will be achieved in 2015



The CATVAR project on the network, to use conservation voltage regulation and reactive power control to achieve an energy efficiency gain of 2 TWh, has been set back to 2018.

The Régie approved the first phase of Hydro-Québec 's project to replace its meters with remotely read meters, at a cost of $441 million. This major project represents an investment of nearly $1 billion. The Régie asked and authorized Hydro-Québec Distribution to offer an option to withdraw from this project to customers who do not want the new meters.

The Régie also approved the extension of the service agreement between the Distributor and Hydro-Québec in its production activities, in order to integrate wind generation into the electricity transmission network. In this regard, it expects that this agreement will eventually be replaced by new agreements arising from a call for tenders by the Distributor.

The Régie approved several modifications to the conditions of electricity service. It approved investments of nearly $1.16 billion for the construction and improvement of the electricity distribution infrastructure of the Distributor.

$10.994 billion

REVENUE REQUIREMENT FOR 2013 FOR HYDRO-QUÉBEC DISTRIBUTION APPROVED BY THE RÉGIE

$2.992 billion

REVENUE REQUIREMENT FOR 2012 FOR HYDRO-QUÉBEC TRANSÉNERGIE, APPROVED IN 2012 AND EXTENDED BY PROVISIONAL RATES INTO 2013

$1.159 billion

INVESTMENTS AUTHORIZED BY THE RÉGIE FOR THE CONSTRUCTION AND IMPROVEMENT OF THE ELECTRICITY DISTRIBUTION INFRASTRUCTURE

$562 million

INVESTMENTS AUTHORIZED BY THE RÉGIE FOR ELECTRICITY TRANSMISSION

Activities ::

Petroleum products

The Régie publishes a weekly estimated minimum price (EMP) for three types of fuel in each of the 17 administrative regions in Québec and 139 municipalities or boroughs. The EMP is an evaluation of the cost of selling gas and diesel fuel at retail based on the elements defined in section 67 of the Petroleum Products Act. To this is added, as the case may be, any amount that the Régie sets for operating costs under section 59 of An Act Respecting the Régie de l'énergie. This evaluation is also published daily by the Régie, for information purposes, for the same types of fuels and for the same geographic breakdown as the EMP. This daily cost price indicator differs from the EMP not only in its frequency, but also in that it does not take into account the amount set by the Régie for operating costs.

In this respect, on March 18 and 19, 2013, the Régie held hearings to set the amount, in cents per litre, that a gasoline or diesel fuel retailer should bear for operating costs. In the coming months, the Régie will decide if this amount, currently set at 3¢/litre, should be changed or not, and whether it still should be included in the EMP.

To better inform consumers, the Régie is continuing its efforts to improve the content of its information in the Petroleum products – Useful Information section of its website. Since June 1, 2012, the Régie has been publishing a daily estimate of the elements of the price of petroleum products for several Québec municipalities. Also, since last March, the history of EMPs for regular gasoline since the year 2000 has been accessible on the Régie's website.

17
ADMINISTRATIVE REGIONS IN QUÉBEC

139
MUNICIPALITIES OR BOROUGHS

2,924
SERVICE STATIONS IN OPERATION IN QUÉBEC AS OF DECEMBER 31, 2010

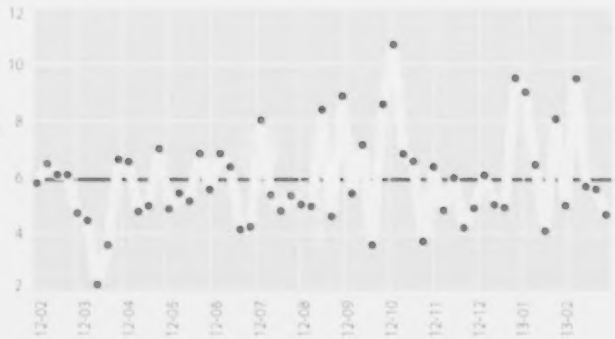
In the fall of 2012, the Régie published the results of an extensive data collection operation with the players in the petroleum products retail sector. This first census of service stations operating in Québec is titled: "Portrait du marché québécois de la vente au détail d'essence et de carburant diesel - Recensement des essenceries en opération au Québec au 31 décembre 2010". It is a useful tool that fills a great need for detailed knowledge of the retail sales market for petroleum products in Québec. In the coming months, thanks to the information obtained in this census, the Régie will review its reports and the samplings that serve to establish the average prices at the pump. Also, it will review its methodology for estimating one of the elements of the EMP: the cost of transporting fuel from the refinery to a service station.

Trends ::

The price of petroleum products continued an upward trend during the year 2012-2013, but at a slower pace than during the previous 12 months. Notably, the price of regular gasoline increased an average of 3.5¢ per litre, compared to 2.7% during 2011-2012.

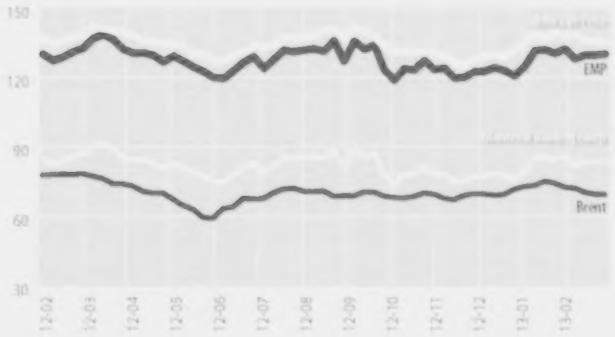
Spread between the average price at the pump and the weighted average estimated minimum price ::

Regular gasoline
Québec as a whole
¢/litre



Price movements ::

Québec as a whole
¢/litre



Price per litre ::
April 1, 2012 to March 31, 2013
Québec as a whole

Regular gasoline

134.4 ¢/litre

AVERAGE WEIGHTED RETAIL PRICE
(130.9 ¢/LITRE IN 2011-2012)
MIN: 124.8 ¢/LITRE WEEK OF 17.12.2012
MAX: 141.8 ¢/LITRE WEEK OF 02.04.2012

81.8 ¢/litre

ESTIMATED MINIMUM PRICE AT THE MONTREAL LOADING RAMP
(81.5 ¢/LITRE IN 2011-2012)
MIN: 74.1 ¢/LITRE WEEK OF 29.10.2012
MAX: 91.3 ¢/LITRE WEEK OF 09.04.2012

127.6 ¢/litre

AVERAGE WEIGHTED ESTIMATED MINIMUM PRICE
(125.1 ¢/LITRE IN 2011-2012)
MIN: 118.7 ¢/LITRE WEEK OF 29.10.2012
MAX: 138.5 ¢/LITRE WEEK OF 09.04.2012

5.9 ¢/litre

AVERAGE SPREAD BETWEEN THE WEIGHTED RETAIL PRICE OF REGULAR GASOLINE, BEFORE TAXES, AND THE WEIGHTED ESTIMATED MINIMUM PRICE
(5.1 ¢/LITRE IN 2011-2012)

Light Fuel Oil

103.9 ¢/litre

AVERAGE WEIGHTED RETAIL PRICE
(101.4 ¢/LITRE IN 2011-2012)
MIN: 95.9 ¢/LITRE WEEK OF 11.06.2012
MAX: 112.8 ¢/LITRE WEEK OF 18.02.2013

Diesel Fuel

137.0 ¢/litre

AVERAGE WEIGHTED RETAIL PRICE
(133.1 ¢/LITRE IN 2011-2012)
MIN: 126.3 ¢/LITRE WEEK OF 02.07.2012
MAX: 146.6 ¢/LITRE WEEK OF 18.02.2013

Activities ::

Administrative Activities

Beyond its regulatory activities, a number of administrative tasks occupy the Régie. In 2012-2013, the Régie pursued the following tasks : :

01

Application of the **Régie's 2011-2014 Strategic Plan**

02

Application and update of the **2009-2013 sustainable development action plan**

03

Application of policies, including the policy on the conditions of contracts and the policy on security of information

04

Renewal of **the collective agreement of lawyers** employed by the Régie de l'énergie

05

Application of the **Act respecting the governance and management of the information resources** of public bodies and government enterprises

06

Preparatory work for the implementation of the new improved version (version 1.1) of **the electronic regulatory document submission system** and the migration of data

07

Beginning of work on **the implementation of a submission system for the monitoring regime** of the electricity transmission network reliability standards

08

Application of the legislative and regulatory dispositions of **the annual share payable to the Green Fund**, and sending of notices of payment and information to the distributors

09

Application of the Action Plan under section 61.1 of the **Act to secure handicapped persons** in the exercise of their rights with a view to achieving social, school and workplace integration (L.R.Q., c. E-20.1)

10

Services related to the application of the regulation on the annual share payable to the energy efficiency and energy innovation part of **the Fonds des ressources naturelles**

11

Replacement of **the telephone system**, while maintaining telephone numbers

Code of Ethics ::

1. GENERAL PRINCIPLES Commissioners shall at all times conduct themselves with loyalty and dignity, demonstrate reserve, and abstain from any statement or action that is incompatible with their duties. In the performance of their mandate, Commissioners shall promote the satisfaction of Québec's energy needs in accordance with the principles of sustainable development and with attention to economic, social and environmental concerns. They shall also reconcile the public interest, consumer protection and equitable treatment of distributors. **2. IMPARTIALITY** Commissioners shall demonstrate impartiality at all times. They shall act and be seen to act objectively and without prejudice. They shall abstain from expressing in public any opinion that might cast doubt on their objectivity, impartiality or that of the Régie. **3. INDEPENDENCE** Commissioners shall at all times defend the independence of their office. They shall perform their duties free of all interference. They shall avoid placing themselves in a vulnerable position. **4. POLITICAL NEUTRALITY** Commissioners shall set aside their personal political opinions so as to perform their duties with the required objectivity. Commissioners shall exercise reserve in the public expression of their political opinions and shall not belong to any advocacy group that takes positions on energy-related matters. **5. CONFLICTS OF INTEREST** Commissioners shall avoid placing themselves in a position of conflict of interest. They shall arrange their personal affairs so as not to interfere with the performance of their duties. They shall not use the power of their position to obtain or grant any benefit or favour. Commissioners shall have no interest, direct or indirect, in any company that produces, transports, distributes or supplies energy, or in any organization, association or undertaking an interest in which would create a conflict between their personal interests and the duties of their position. **6. DECLARATION OF INTERESTS** Each Commissioner shall submit an annual written declaration to the Chair of the Régie stating all the interests he or she possesses which he or she believes could create a conflict of interest. **7. RECUSAL** Commissioners shall recuse themselves from any deliberations in which their ability to deal impartially with the application under consideration could be in doubt. A Commissioner shall bring any situation which he or she deems to be problematic to the attention of the Chair of the Régie. **8. CONFIDENTIALITY** Commissioners shall swear an oath of confidentiality upon entering upon their duties. Commissioners shall abstain from making any comment or taking any public position on any file, whether or not they are personally responsible for that file, and shall express their points of view only through the decisions rendered by the Régie. Commissioners shall at all times respect the confidentiality of the documents and information to which they are made privy in the course of their duties, and may not use them for personal ends. **9. DUTY TO ACT WITH EQUITY** At hearings and in examining applications, Commissioners shall ensure that all participants have the opportunity to be heard and to make their arguments, insofar as those arguments are allowable and relevant. At hearings, Commissioners shall maintain order, taking a firm but courteous attitude which fosters mutual respect among all present. **10. COLLEGIALITY** Each Commissioner shall provide his or her colleagues with appropriate support, while respecting the authority of each. Commissioners shall strive to ensure that the decisions rendered by the Régie are consistent, so that all interveners who appear before the Régie receive equitable treatment. **11. EXCELLENCE** Commissioners shall keep their professional skills and knowledge current so as to maintain the quality of their work. **12. DILIGENCE** Commissioners shall render written, reasoned decisions, effectively and diligently, in plain language. **13. OATH** Upon entering upon their duties, Commissioners shall take the following oath: "I, . . . , Commissioner, do solemnly declare that I will exercise the powers and perform the duties of my position impartially and honestly, to the best of my ability and knowledge."

Administration ::

Financial Summary

Estimated revenue for the fiscal year ended March 31, 2013, consisted primarily of the duties paid by the electric power carrier, the electric power distributors, including Hydro Québec when carrying on distribution activities, the natural gas distributors, petroleum product distributors exceeding 100 million litres, and fuel distributors. These duties were collected in accordance with the Regulation respecting the annual duty payable to the Régie de l'énergie (section 112 of the Act, Order-in Council 1379-2009, approved on December 21, 2009).

The Régie's budget for the 2012-2013 financial year was approved by decree number 707-2012, on June 27, 2012, following its submission on January 26, 2012, in accordance with section 106 of the Act and decree number 832-2004.

The surplus for 2012-2013 takes into account the positive results obtained following measures to reduce administrative expenses. The cumulative targets since 2010 have been surpassed, while respecting legislative and regulatory requirements as well as the related decrees.

The consolidated financial summary (including the financial data from the Fifth World Forum on Energy Regulation) is presented in the table below.

Estimated financial results of the Régie

For the fiscal year ended March 31, 2013

$14,873,812

Revenues

$14,209,226

Expenses

$664,586

Surplus

Preview of 2013-2014 Cases ::

Electricity

Transmission

Rates and conditions of service

- Rate of return and sharing mechanism
- Rate requests for 2013 and 2014
- Policy for additions to the transmission network
- Transmission service contracts (Rio Tinto Alcan)

Investments

- Batch approval of investment projects under $25 million
- Madawaska substation
- Normand substation
- Nicolet substation
- Fleury substation
- Abitibi substation
- Albanel substation
- Outaouais substation
- Duvernay substation
- De Lorimier substation
- Pierre Le Gardeur/Saint-Sulpice Line
- Saint-Jérôme substation
- Manicouagan substation
- Baie-Saint-Paul substation

Network reliability and technical requirements for connection

- Adoption of reliability standards, sanctions guide and technical requirements for connection

Administration

- Annual Report 2012
- Finalization of the agreement between the Régie, the North American Electric Reliability Corporation (NERC) and the Northeast Power Coordinating Council (NPCC) regarding the monitoring of reliability standards
- Development of monitoring activities for reliability standards

Distribution

Rates

- Rate of return and sharing mechanism
- 2014 rate case (including the Energy Efficiency Plan and the technical and economic potential of autonomous networks)

Investments

- Batch approval of investment projects under $10 million
- Fleury substation
- Solution for the marshalling and management of mobile teams
- De Lorimier substation
- Lac-Rapide connection
- Ménihek power station
- Remote reading project, stages 2 and 3
- Saint-Jérôme substation
- Baie-Saint-Paul substation

Supply

- Approval of the characteristics of the wind power integration service and the evaluation grid for calls for tenders
- Suspension of activities at the Bécancour power station for 2014
- 2014-2023 supply plan

Administration

- Evaluation of Energy Efficiency Plan programs
- 2012 Annual Report

Natural Gas

Rates

- Gaz Métro: 2013-2014 rate case
- Gazifère: 2014 rate case
- Gaz Métro: annual reports as of September 30, 2012 and September 30, 2013
- Rate for receiving natural gas

Investments

- Gaz Métro: Investment in LSR plant
- Gaz Métro: reducing station (abandonment and reconstruction of Marien-Rivest station)
- Gaz Métro: addition of compressors at Saint-Maurice and Saint-Roch-de-Mékinac
- Gaz Métro: Investment (Bécancour)
- Gaz Métro: strategy of purchasing emission rights (Québec Cap and Trade System for Greenhouse Gas Emissions Allowances)
- Gazifère: Francization program implementation

Administration

- Follow-up on the evaluation of the Gaz Métro Energy Efficiency Plan programs

Access to Information ::

Report on access to documents and the protection of personal information

The Régie, as a public organization subject to the Act respecting access to documents held by public bodies and the protection of personal information, must include in its annual report a section attesting to the dissemination of documents covered by this law and reporting on certain activities. In conformance with the Act, the Régie publishes various information on its website, including: its organization chart; the name and contact information of the official responsible for access to documents and the protection of personal information; research or statistical studies and reports that it has produced and whose distribution is in the public interest; documents sent in response to an access to information request whose distribution is in the public interest; a description of the services offered as well as the related forms; the laws, regulations, codes of ethics, directives, policies, and other documents of a similar nature that serve in decision-making concerning the rights of the citizen that it is responsible for applying; draft regulations published in the official gazette of Québec for which it is responsible; and documents that it produces deposited for the purposes of a public hearing of the National Assembly or one of its committees or sub-committees. The Régie's classification plan is currently under review and will be made public when it is adopted.

The Régie received a total of nine requests for access during 2012-2013, which were processed within the 20-day delay prescribed by the law. Of these nine requests, three were accepted without reserve and dealt with documents relating to the annual share payable to the ministère des Ressources naturelles et de la Faune and the annual duty paid to the Régie de l'énergie, as well as the implementation of the measures in its 2010-2014 action plan for the reduction and control of expenses. The six other requests were partially met, with the exception that some documents requested from the Régie included information on individuals which had to be suppressed by virtue of articles 53 and 57 of the Act, or which referred to documents submitted confidentially to the Régie, to which access is denied under articles 23 and 24 of this Act.

2011-2014 Sustainable Development Plan

GOVERNMENT OBJECTIVE 1 :: Raise awareness of the concept and principles of sustainable development. Foster sharing of experience and skills related to sustainable development and assimilation of the knowledge and know-how to implement it. **ORGANIZATIONAL OBJECTIVE 1 ::** Raise awareness of the nature and scope of the concept of sustainable development and its 16 principles. **ACTION 1 ::** Carry out activities that promote achievement of the government's awareness-raising and training plan for public servants. **ORGANIZATIONAL OBJECTIVE 2 ::** For authorizations, use analytic tools that take principles of sustainable development into account. **ACTION 2 ::** To assess administrative projects, adopt and test an analytic grid that takes principles of sustainable development into account. **GOVERNMENT OBJECTIVE 4 ::** Develop and promote a culture of prevention and create conditions conducive to health, safety and environmental responsibility. **ORGANIZATIONAL OBJECTIVE 3 ::** Maintain and improve employees' physical and psychological health. **ACTION 3 ::** Provide employees with a work environment that promotes health, safety and quality of life. **ACTION 4 ::** Promote and implement practices and activities that support human-powered transport. **GOVERNMENT OBJECTIVE 6 ::** Implement environmental management measures and an environmentally responsible procurement policy at government ministries and agencies. **ORGANIZATIONAL OBJECTIVE 4 ::** Promote the adoption of environmentally responsible practices in the Régie's daily management and administration activities. **ACTION 5 ::** Implement practices and activities called for by the policy on environmentally responsible government. **GOVERNMENT OBJECTIVE 7 ::** Promote reduced use of energy, natural resources and physical resources in the production and marketing of goods and services. **ORGANIZATIONAL OBJECTIVE 5 ::** Facilitate employee involvement in implementing and promoting energy efficiency. **ACTION 6 ::** Promote energy efficiency to employees. To see the Action Plan and the sustainable development results for 2012-2013, visit the Régie de l'énergie website at www.regie-energie.qc.ca.

The activities of the Régie de l'énergie.
www.regie-energie.qc.ca

Régie de l'énergie
Québec